

DIRECT TESTIMONY OF
ROBERT M. BLUE
ON BEHALF OF
DOMINION ENERGY, INC.
DOCKET NO. 2017-370-E

Q. PLEASE STATE YOUR FULL NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Robert M. Blue and my business address is 120 Tredegar Street, Richmond, Virginia 23219. I am Executive Vice President of Dominion Energy, Inc. ("Dominion Energy"), and President and Chief Executive Officer of the Power Delivery Group.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I am a graduate of the University of Virginia and Yale Law School. I also earned a master's degree in business administration from the University of Virginia's Darden School of Business.

I joined Dominion Energy in 2005 as Managing Director–State Affairs & Corporate Public Policy, and later was promoted to Vice President–State & Federal Affairs. I was named Senior Vice President–Public Policy & Corporate Communications in May 2008, and became Senior Vice President–Public Policy & Environment in February 2010. I was named Senior Vice President–Law,

1 Public Policy & Environment in January 2011, and President of Dominion Energy
2 Virginia in January 2014. I was named Senior Vice President-Regulation, Law,
3 Energy Solutions & Policy in May 2015, and Senior Vice President–Law,
4 Regulation and Policy and President–Power Delivery Group in January 2016. I
5 was named President and Chief Executive Officer–Power Delivery Group in
6 January 2017 and was promoted to my current post in May 2017.

7 From 2002 to 2005, I served as counselor and director of policy for former
8 Virginia Governor Mark R. Warner and was a partner with the law firm of Hogan
9 & Hartson prior to that. I am a member of the Board of Visitors of the University
10 of Virginia and the boards of directors of the Virginia Healthcare Foundation,
11 Communities In Schools of Virginia, and Sports Backers.

12 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

13 A. No, I have not previously testified before this Commission.

14 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS CASE?**

15 A. I am sponsoring Exhibit No. __ (RMB-1), which was also attached to the
16 Joint Petition as Exhibit 9.

17 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

18 A. My testimony describes Dominion Energy’s electric and natural gas
19 operations in support of the proposed transaction whereby the parent of South
20 Carolina Electric & Gas Company (“SCE&G”), SCANA Corporation
21 (“SCANA”), will become a wholly-owned subsidiary of Dominion Energy. I also
22 will discuss how Dominion Energy plans to operate SCE&G following the

1 combination, the operational benefits of the combination to SCE&G and its
2 customers, and the commitments Dominion Energy is making that relate to
3 operational matters.

4 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

5 A. My testimony is organized as follows:

6 I. Dominion Energy's Operations and Values

7 II. Plan for Operating SCE&G after the Combination

8 III. Operational Commitments and Benefits of the Combination

9 IV. Conclusion

10 **I. DOMINION ENERGY'S OPERATIONS AND VALUES**

11 **Q. PLEASE PROVIDE A GENERAL OVERVIEW OF DOMINION**
12 **ENERGY'S OPERATIONS.**

13 A. The Dominion Energy family of companies has been engaged in the
14 business of providing electric and natural gas service to customers for more than a
15 century. Over those years, that legacy has expanded such that our portfolio of
16 assets as of December 31, 2017 includes approximately 26,000 megawatts
17 ("MW") of electric generating capacity; 64,500 miles of electric transmission and
18 distribution lines; and 66,600 miles of natural gas transmission, gathering,
19 distribution, and storage pipelines. Dominion Energy currently serves nearly six
20 million utility and retail energy customers and has approximately 16,200 full-time
21 employees in the states in which it operates.

1 **Q. PLEASE DESCRIBE DOMINION ENERGY'S MAJOR REGULATED**
2 **PUBLIC UTILITY SUBSIDIARIES.**

3 A. Dominion Energy's major regulated public utility subsidiaries include
4 Virginia Electric and Power Company (which does business in Virginia under the
5 name "Dominion Energy Virginia" and in North Carolina under the name
6 "Dominion Energy North Carolina"); The East Ohio Gas Company (which does
7 business under the name "Dominion Energy Ohio"); Hope Gas, Inc. (which does
8 business under the name "Dominion Energy West Virginia"); and Questar Gas
9 Company (which does business in Utah under the name "Dominion Energy Utah,"
10 in Wyoming under the name "Dominion Energy Wyoming," and in Idaho under
11 the name "Dominion Energy Idaho").

12 The following summaries provide more detail about these subsidiaries:

- 13 • Virginia Electric and Power Company is regulated in Virginia by the
14 Virginia State Corporation Commission and in North Carolina by the North
15 Carolina Utilities Commission. Virginia Electric and Power Company
16 generates, transmits, and distributes electricity for sale in Virginia and
17 North Carolina to approximately 2.6 million customer accounts. Virginia
18 Electric and Power Company operates approximately 19,925 MW of
19 electric generation facilities, 6,600 miles of electric transmission lines, and
20 57,900 miles of electric distribution lines. Virginia Electric and Power
21 Company's electric transmission, and sales for resale, of electric power in

1 interstate commerce are regulated by the Federal Energy Regulatory
2 Commission (“FERC”).

- 3 • Dominion Energy Ohio is regulated by the Public Utilities Commission of
4 Ohio and serves approximately 1.2 million retail natural gas distribution
5 customers in more than 400 eastern and western Ohio communities,
6 including the cities of Cleveland, Akron, Canton, Youngstown, Marietta
7 and Lima. Dominion Energy Ohio operates 18,920 miles of distribution
8 lines, approximately 3,000 miles of transmission, gathering, and storage
9 lines, and 170 billion cubic feet (“Bcf”) of underground storage capacity.
- 10 • Dominion Energy West Virginia is regulated by the Public Service
11 Commission of West Virginia and serves approximately 112,000 retail
12 natural gas distribution customers in West Virginia, including the cities of
13 Clarksburg, Parkersburg and Morgantown. Dominion Energy West
14 Virginia operates 3,196 miles of distribution lines.
- 15 • Dominion Energy Utah is regulated by the Public Service Commission of
16 Utah. The Idaho Public Utilities Commission has contracted with the
17 Public Service Commission of Utah for rate oversight of Dominion Energy
18 Idaho. Dominion Energy Wyoming is regulated by the Wyoming Public
19 Service Commission. Together, Questar Gas Company serves over one
20 million retail natural gas distribution customers in Utah, Wyoming and
21 Idaho, and owns and operates distribution systems and has approximately
22 29,647 miles of street mains, service lines, and interconnecting pipelines.

1 **Q. HOW DOES DOMINION ENERGY MANAGE THE DAILY**
2 **OPERATIONS OF ITS ENERGY SUBSIDIARIES?**

3 A. Although the assets of its subsidiaries remain wholly within those legal
4 entities (each of which has its own officers, directors, and management teams),
5 Dominion Energy manages and reports on its consolidated operations through
6 three primary operating segments: the Power Delivery Group, the Power
7 Generation Group, and the Gas Infrastructure Group. The Power Delivery
8 operating segment includes Dominion Energy's electric transmission and
9 distribution operations. The Power Generation operating segment includes
10 Dominion Energy's regulated and merchant electric generating fleet. The Gas
11 Infrastructure operating segment includes Dominion Energy's gas transmission,
12 storage, and gathering operations, including producer service activities, as well as
13 its gas distribution and storage services.

14 The common leadership and management of the similarly situated
15 businesses that compose Dominion Energy's operating segments provide
16 significant value to each of the individual businesses through the sharing of best
17 practices in such areas as operations, safety, customer service, and environmental
18 stewardship. In this way, each of Dominion Energy's regulated electric and gas
19 subsidiaries benefits from the experience and knowledge of the collective group,
20 while day-to-day operations and community engagement are managed at the state,
21 regional and local level.

1 **Q. PLEASE DESCRIBE DOMINION ENERGY'S REGIONAL AND LOCAL**
2 **STRUCTURE AND HOW THAT PROVIDES OPERATIONAL AND**
3 **CUSTOMER BENEFITS.**

4 A. In the Power Delivery Group, our distribution grid is operated through the
5 Emergency Preparedness Center ("EPC") located in Richmond, Virginia and three
6 (3) Regional Operations Centers located in central Virginia, eastern Virginia and
7 northern Virginia, which oversee the work activities and service restoration efforts
8 in 35 local offices across Virginia and North Carolina. The Regional Operation
9 Centers are instrumental in allocating and assigning resources where they are
10 needed during regional storm events. The EPC facilitates our response when
11 multiple regions are involved in service restoration activities, typically caused by
12 large significant weather events such as hurricanes and system-wide wind or snow
13 storms. The EPC assists with the coordination and mobilization of system
14 resources and, if needed, obtaining off-system resources either from other utilities
15 and/or mutual aid. Indeed, as recently as March 2018, SCE&G provided line
16 resources to assist Dominion Energy with responding to outages associated with a
17 severe wind storm that affected approximately 690,000 Dominion Energy
18 customers, primarily in Virginia.

19 The Gas Infrastructure Group utilizes the same state/regional and local
20 office structure in Ohio, West Virginia, Utah and Wyoming. The Ohio Regional
21 Operation Center is located in Cleveland supporting 32 local offices. The West
22 Virginia Regional Operation Centers are located in Clarksburg and

1 Bridgeport. The Clarksburg Dispatch Center and Bridgeport Gas Control Center
2 together support 9 local offices and training facilities.

3 The Utah Regional Operation Center is located in Salt Lake City and
4 supports 17 local offices and training center, and the Wyoming Regional
5 Operation Center is located in Rocksprings and supports 3 local offices and
6 training facilities.

7 In the Power Generation group, our Nuclear and Power Systems Operations
8 Centers are located in Richmond, Virginia, and support our regulated and
9 merchant nuclear, fossil and hydro and renewable generating stations.

10 Through the regional and local operations structure, Dominion Energy is
11 able to deploy and optimize resources across the system to support the provision
12 of safe and reliable service to customers.

13 **Q. DOES DOMINION ENERGY UTILIZE A SHARED SERVICES**
14 **COMPANY?**

15 A. Yes. Dominion Energy has a centralized service company, Dominion
16 Energy Services, Inc. ("DES"), through which the Dominion Energy businesses
17 secure necessary administrative and corporate services support. This shared
18 services organization provides expert and cost-effective service to the Dominion
19 Energy operating subsidiaries in such areas as information technology, cyber
20 security, environmental compliance, environmental permitting, supply chain,
21 accounting, legal matters, and media relations. Through centralization, Dominion
22 Energy's service company is able to create economies of scale and provide a level

1 of expertise, service, and resources more effectively and efficiently than stand-
2 alone departments at each subsidiary level would be able to provide. As a result,
3 Dominion Energy's service company promotes the provision of reliable and cost-
4 effective service to customers.

5 SCANA currently employs a similar services company model through
6 SCANA Services, Inc. ("SCANA Services"). After the combination, it is
7 anticipated that SCE&G will continue to receive some common services through
8 SCANA Services and will benefit from other common services received from
9 DES. Over time, as part of the integration process, the corporate functions and the
10 staffing levels will be reviewed to determine those corporate functions that will
11 remain local to support business operations and those that will be centralized into
12 a common service company such that economies of scale consistent with
13 Dominion Energy's size will be reached.

14 **Q. WHAT VALUES DOES DOMINION ENERGY EMPLOY IN**
15 **CONNECTION WITH ITS PUBLIC UTILITY OPERATIONS?**

16 A. As Mr. Thomas F. Farrell, II explains, Dominion Energy's regulated
17 utilities share the same values as SCE&G, including a focus on safe, reliable and
18 cost-effective service, a commitment to employees and the communities served,
19 and integrity in all aspects of their businesses. These values help focus our efforts
20 on cost-effectively meeting our customers' growing energy needs safely and
21 reliably.

1 **Q. PLEASE EXPAND ON DOMINION ENERGY'S COMMITMENT TO**
2 **SAFETY.**

3 A. Safety is one of Dominion Energy's core values. As a result, Dominion
4 Energy has one of the best safety records in the industry. For 2017, in more than
5 32 million hours worked, Dominion Energy employees recorded 96 workplace
6 OSHA-recordable injuries (an incidence rate of 0.60) and 47 workplace injuries
7 resulting in lost days or reassignment of duties (a rate of 0.29). Dominion
8 Energy's ultimate goal is zero injuries.

9 **Q. YOU HAVE ALSO MENTIONED DOMINION ENERGY'S**
10 **COMMITMENT TO CUSTOMER SERVICE. PLEASE PROVIDE SOME**
11 **DETAIL ON THIS ASPECT OF DOMINION ENERGY'S OPERATIONS.**

12 A. Customers of regulated electric and natural gas utilities expect safe and
13 reliable service. When service disruptions or emergencies occur, the service teams
14 at Dominion Energy's regulated public utility subsidiaries respond to customers'
15 outage-related service requests as quickly and safely as possible. In 2017,
16 Dominion Energy Virginia reduced average customer call wait time to 27.3
17 seconds and the average customer had power, excluding major storms, 99.97% of
18 the year. In 2017, Dominion Energy Ohio responded to 98.9%, Dominion Energy
19 West Virginia responded to 95.7%, and Questar Gas Company responded to
20 98.3%, of all emergency calls within 60 minutes.

21 Dominion Energy's commitment to customer service also includes a focus
22 on maintaining reasonable customer rates. For example, Dominion Energy

Virginia's rates are well below the national average as measured by a typical residential customer using 1,000 kWh per month. Based on Edison Electric Institute comparisons as of February 2018, Dominion Energy Virginia's typical residential bill is 4.7% below the Virginia statewide average, 14.9% below the national average, 15.1% below the D.C. regional average, 21.8% below the East Coast average and 32.4% below the average of Regional Greenhouse Gas Initiative ("RGGI") states.¹ For industrial customers, Dominion Energy Virginia's typical industrial rate is 14.9% below the Southeast Peer Group² average, 24% below the CNBC "Top States for Business: 2017" average, 31.3% below the national average, 37.4% below the East Coast average, and 45.7% below the RGGI state average.

Q. CAN YOU HIGHLIGHT SOME EXAMPLES OF DOMINION ENERGY HELPING LOW-INCOME USERS OF ELECTRICITY AND NATURAL GAS?

A. Yes. Assisting low-income customers in the community is a priority for Dominion Energy, as demonstrated by our significant contributions to programs that help pay for the energy costs of low-income customers. Over the past 35 years, Dominion Energy Virginia and Dominion Energy North Carolina have

¹ The RGGI states currently include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.

² The Southeast Peer Group includes Alabama Power, Duke Energy Carolinas (N.C.), Duke Energy Carolinas (S.C.), Entergy Mississippi, FPL, Georgia Power, Gulf Power, Mississippi Power, Duke Energy Progress (N.C.), Duke Energy Progress (S.C.), Duke Energy Florida, SCE&G, Tampa Electric, Kentucky Utilities, and Louisville Gas & Electric.

1 helped nearly 800,000 families and individuals through payment assistance and
2 providing energy-saving upgrades at no charge, including weatherization services,
3 education, and outreach. In Ohio, the gas assistance program helps customers
4 with their heating bills once government assistance has expired. In Utah, the low-
5 income assistance program provides \$1.5 million annually to help low-income
6 customers with their winter heating bills.

7 **Q. PLEASE EXPAND ON DOMINION ENERGY'S COMMITMENT TO THE**
8 **COMMUNITIES IT SERVES.**

9 A. Dominion Energy believes that it is important for the local utility to be a
10 contributor to, and active participant in, the community it serves. In 2017,
11 Dominion Energy and our philanthropic arm, the Dominion Energy Charitable
12 Foundation, awarded nearly \$28 million in charitable grants to about 2,000
13 nonprofit organizations in the states served by Dominion Energy companies.
14 Further, Dominion Energy employees donated more than 124,000 hours of
15 volunteer service to their communities.

16 Supporting the men and women who have worn a U.S. military uniform in
17 service to their country is also an important priority for Dominion Energy. From
18 2010 to 2017, Dominion Energy hired more than 1,000 veterans—almost 20% of
19 new hires during that period. Approximately 1,665 Dominion Energy employees
20 are veterans, about 11.5% of our workforce. In 2017, Dominion Energy hired 187
21 military veterans through its “Troops to Energy Jobs” program to support their
22 transition to civilian careers and address Dominion Energy’s need for skilled and

1 disciplined workers. Additionally, Dominion Energy supports our veteran
2 employees by offering paid time off for Guard and Reserve duty in addition to
3 vacation and sick leave, extending benefits to cover deployed reservists and their
4 dependents, and paying a 100% salary differential for up to five years for deployed
5 military employees.

6 **Q. HOW DOES DOMINION ENERGY FULFILL ITS COMMITMENT TO**
7 **ENVIRONMENTAL SUSTAINABILITY?**

8 A. In addition to complying with all applicable environmental laws and
9 regulations, Dominion Energy makes environmental concerns an integral part of
10 our planning and decision-making process and devotes substantial resources to
11 implementing effective environmental and sustainability programs. Between 2000
12 and 2016, Dominion Energy's entire power generation fleet has reduced its carbon
13 emissions rate (carbon emissions per unit of electric output or lbs per net
14 megawatt-hour) by 43%. Dominion Energy has also achieved significant
15 reductions of other air pollutants such as NO_x, SO₂ and mercury, as well as the
16 amount of coal ash generated and the reduction of water withdrawal.

17 Since 2008, Dominion Energy has reduced methane emissions through
18 years of taking increasingly stringent voluntary actions in our natural gas
19 operations. We began by working on reducing our lost and unaccounted for gas
20 rate. More than five years ago, we joined EPA's Natural Gas STAR program
21 which emphasized best management practices to voluntarily reduce methane
22 emissions. Interested in further reducing our methane emissions we joined

1 Methane Challenge as a founding member. Collectively our efforts have resulted
2 in an estimated savings of natural gas of nearly 10 billion cubic feet. We have
3 added additional initiatives to continue a comprehensive methane strategy that will
4 further reduce methane emissions over the next five years at an even more rapid
5 pace. Based on these programs, we estimate that by 2022, our efforts in these
6 programs already identified will result in an estimated savings of 19 billion cubic
7 feet of natural gas.

8 Dominion Energy incorporates environmental sustainability concepts in the
9 design of its newly constructed buildings as well. Two recent Dominion Energy
10 properties were constructed in Bridgeport, West Virginia for our DETI employees
11 and in Boston Heights, Ohio as an Ohio Training Center. Both properties
12 achieved a LEED Silver status.³

13 Dominion Energy makes significant investments to keep our properties
14 operating efficiently using the latest construction practices.

15 **Q. PLEASE ADDRESS DOMINION ENERGY'S INVESTMENTS IN**
16 **RENEWABLE ENERGY RESOURCES.**

17 A. Dominion Energy is committed to investing in diverse energy infrastructure
18 to meet customers' energy needs and improve reliability while maintaining
19 reasonable rates and minimizing the effect on the environment. Since 2013,
20 Dominion Energy has invested \$3.6 billion to develop, construct, and operate

³ Leadership in Energy and Environmental Design ("LEED") is a green building rating system devised by the U.S. Green Building Council. LEED provides a framework to create healthy, highly efficient, and cost-saving green buildings.

1 small- and large-scale solar facilities, including over \$900 million in 2017.
2 Nationally, Dominion Energy has nearly 2,700 megawatts of solar generating
3 capacity in operation or under development in nine states, including offtake
4 agreements for the company's utility customers. In South Carolina, Dominion
5 Energy owns two solar power generation projects. The Solvay Solar Energy
6 Facility, a 71.4 MW (AC) solar facility located in Jasper County, near Ridgeland,
7 entered commercial operation in December 2017. The Ridgeland Solar Project, a
8 10 MW (AC) solar facility in Ridgeland, entered commercial operation in June
9 2017.

10 **II. PLAN FOR OPERATING SCE&G AFTER THE COMBINATION**

11 **Q. HOW DOES DOMINION ENERGY PLAN TO OPERATE SCE&G** 12 **FOLLOWING THE COMBINATION?**

13 A. Following the combination, Dominion Energy plans to operate SCE&G in
14 substantially the same way as it is operated today, enhanced by Dominion
15 Energy's broad and deep experience in the successful management of electric and
16 natural gas facilities and systems. Like SCE&G, Dominion Energy's electric and
17 natural gas utility subsidiaries have a track record for making capital investments
18 required to provide safe, reliable, and cost-effective service to customers. Safety
19 in the workplace and in the community is Dominion Energy's highest priority.
20 Dominion Energy and SCE&G also share a history of operating with integrity and
21 a firm commitment to their employees and the communities they serve. SCE&G
22 will continue to receive certain shared or common services provided to it as part of

1 a larger organization. Further, Dominion Energy intends to maintain SCE&G's
2 customer service at no less than current levels and will strive for improvements to
3 such service.

4 **Q. PLEASE ADDRESS SCE&G's ORGANIZATIONAL STRUCTURE AFTER**
5 **THE COMBINATION.**

6 A. Dominion Energy has no current plans to change the organizational
7 structure of SCE&G operations as a result of the combination. Exhibit No. __
8 (RMB-1) contains charts showing the organization of Dominion Energy prior to
9 (pages 1-4) and after (pages 5-9) the combination.

10 **Q. WILL THE COMMISSION CONTINUE TO EXERCISE ITS**
11 **REGULATORY AUTHORITY OVER SCE&G?**

12 A. Yes, the Commission will continue to exercise its regulatory authority over
13 SCE&G, thereby ensuring continued protection of the interests of South Carolina
14 customers.

15 **III. OPERATIONAL COMMITMENTS AND BENEFITS OF THE**
16 **COMBINATION**

17 **Q. IS DOMINION ENERGY WILLING TO MAKE COMMITMENTS AND**
18 **TO PROVIDE ASSURANCES RELATING TO THE OPERATIONS OF**
19 **SCE&G?**

20 A. Yes. I believe that the commitments I sponsor, as well as those sponsored
21 by Dominion Energy Witnesses Mr. Thomas F. Farrell, II, and Mr. James R.

1 Chapman, will protect and benefit SCE&G, its customers, and the State of South
2 Carolina.

3 **Q. PLEASE SUMMARIZE THE COMMITMENTS DOMINION ENERGY IS**
4 **WILLING TO MAKE RELATED TO THE FUTURE OPERATION OF**
5 **SCE&G.**

6 A. I am sponsoring the following commitments of Dominion Energy related to
7 the operations of SCE&G following the combination:

- 8 • Dominion Energy will maintain SCE&G's headquarters in Cayce, South
9 Carolina.
- 10 • Dominion Energy will manage SCE&G from an operations standpoint as a
11 separate regional business under Dominion Energy with responsibility for
12 making decisions that achieve the objectives of customer satisfaction,
13 reliable service, customer, public, and employee safety, environmental
14 stewardship, and collaborative and productive relationships with customers,
15 regulators, other governmental entities, and interested stakeholders.
- 16 • Dominion Energy will maintain SCE&G's customer service at no less than
17 current levels and will strive for continued improvements.
- 18 • Dominion Energy will not diminish SCE&G's focus on installing,
19 upgrading, and maintaining facilities necessary for safe and reliable
20 operations.
- 21 • Dominion Energy will maintain the environmental monitoring and
22 maintenance programs of SCE&G at or above current levels.

- 1 • Dominion Energy commits to maintaining compensation levels for
2 employees of SCANA and its subsidiaries, including SCE&G, following
3 the closing of the merger until January 1, 2020. Further, Dominion Energy
4 will give employees of SCANA and its subsidiaries, including SCE&G,
5 due and fair consideration for other employment and promotion
6 opportunities within the larger Dominion Energy organization, both inside
7 and outside of South Carolina.
- 8 • Dominion Energy commits to increasing SCANA's historical level of
9 corporate contributions to charities identified by SCANA's leadership by
10 \$1,000,000 per year for at least five years after the Effective Time, and will
11 maintain or increase historical levels of community involvement, low
12 income funding, and economic development efforts in SCANA's current
13 operation areas.

14 **III. OPERATIONAL COMMITMENTS AND BENEFITS OF THE** 15 **COMBINATION**

16 **Q. WHAT ARE THE OPERATIONAL BENEFITS OF THE COMBINATION** 17 **TO SCE&G AND ITS CUSTOMERS?**

18 A. SCE&G will benefit from being part of a corporate organization that has
19 enhanced geographic, business, and regulatory diversity, along with greater
20 financial and operational scale. Dominion Energy is a leader in all aspects of the
21 electric industry and has extensive experience in the natural gas industry.
22 Dominion Energy, through its energy subsidiaries, has an established record for

1 formulating its policies and plans through customer or stakeholder processes.

2 As one of the largest and safest operators of energy infrastructure assets, the
3 combined company and its subsidiaries will benefit from the adoption of best
4 practices across an expanded platform of service which stands to sustain and
5 strengthen employee safety and customer service, while continuing to minimize
6 operational costs.

7 Dominion Energy's experience in owning and operating its public utility
8 subsidiaries means that it brings to the combination a deep understanding of the
9 responsibilities and general opportunities and challenges of current U.S. electric
10 and gas utilities, and with directly applicable experience and knowledge about
11 some of the specific opportunities and challenges now faced by SCE&G. With an
12 enhanced national presence, the combined company and its subsidiaries will
13 benefit from having a relevant and informed perspective and effect on energy
14 policy discussions that stand to positively affect the quality, safety, reliability, and
15 cost of the services offered to customers.

16 **Q. HAS DOMINION ENERGY DEMONSTRATED SUCCESS IN**
17 **OPERATING UTILITY SUBSIDIARIES?**

18 A. Yes. The operations of the utility subsidiaries of Dominion Energy provide
19 demonstrable evidence that SCE&G will continue its emphasis on key utility
20 performance areas such as reasonable customer rates, reliable customer service,
21 customer and employee safety, and commitment to employees and communities
22 served. Dominion Energy and its subsidiaries also have a demonstrated history of

1 emphasizing the importance of positive relationships with customers, regulators,
2 legislators, and consumer representatives.

3 **Q. WHAT OTHER OPERATIONAL BENEFITS WILL DOMINION ENERGY**
4 **PROVIDE TO SCE&G FOLLOWING THE COMBINATION?**

5 A. Dominion Energy's operations also provide geographical diversity that will
6 strengthen SCANA and SCE&G. A benefit of geographic diversity is that if a
7 natural disaster were to occur in SCE&G's service area after the combination,
8 SCE&G would have access to resources such as call centers, operations, and
9 management outside the affected area that it can use to address the emergency.
10 Dominion Energy has multiple internal and external call centers, staffed with over
11 870 call center agents, support, and back-up resources to handle customer
12 inquiries. The call centers are located in numerous locations and states to ensure
13 operational reliability and function when the service territory experiences a
14 catastrophic weather event. Dominion Energy agents are located in Virginia at our
15 Richmond and Norfolk locations, Ohio, West Virginia, and Utah.

16 Dominion Energy has invested in a variety of energy resources, including
17 solar, wind, biomass, nuclear, natural gas, and coal and can share best practices
18 learned in operating across this diverse portfolio. The combined company and its
19 subsidiaries, as one of the largest and safest operators of energy infrastructure
20 assets, will also benefit from the adoption of best practices across an expanded
21 platform of service that stands to improve employee and public safety, customer
22 service, and operational cost effectiveness.

1 Dominion Energy's also brings its operational experience from the
2 combination of Dominion Energy Gas Transmission and South Carolina Gas
3 Transmission Corporation, now known as Dominion Energy Carolina Gas
4 ("DECGT"), which occurred in 2015. Since that time, DECGT has continued its
5 18-year trend in reducing both the number and severity of injuries. During that
6 same time, contract pipeline capacity has increased to South Carolina customers
7 by 25%, with January 2018 serving as the highest throughput month in DECGT's
8 history.

9 Dominion Energy also demonstrated the benefits of its size and experience
10 during the devastating floods in South Carolina in October 2015. Despite historic
11 flooding, Dominion Energy maintained normal system operations on over 1,500
12 miles of pipeline, with no service interruptions and no injuries or vehicle
13 incidents. In addition, Dominion Energy and its employees stepped in to help the
14 community as a whole by delivering food and water, preparing first aid kits, and
15 other efforts during the three-day period. With the combination of Dominion
16 Energy and SCANA, this level of support, response and assistance during normal
17 day-to-day activity and during catastrophic events will only increase.

18 IV. CONCLUSION

19 **Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?**

20 **A.** Yes. I have described Dominion Energy's commitment to the operations of
21 our electric and natural gas utility subsidiaries. Now Dominion Energy seeks to
22 expand that commitment to include SCE&G, its customers, and the communities

1 that it serves. I have described the operating benefits of the combination for
2 SCE&G and those stakeholders, and have presented a series of specific operational
3 commitments that will protect SCE&G and this Commission's ability to regulate it
4 in the public interest. These commitments will be of substantial value to the
5 customers, employees, and communities served by SCE&G, as well as the State of
6 South Carolina.

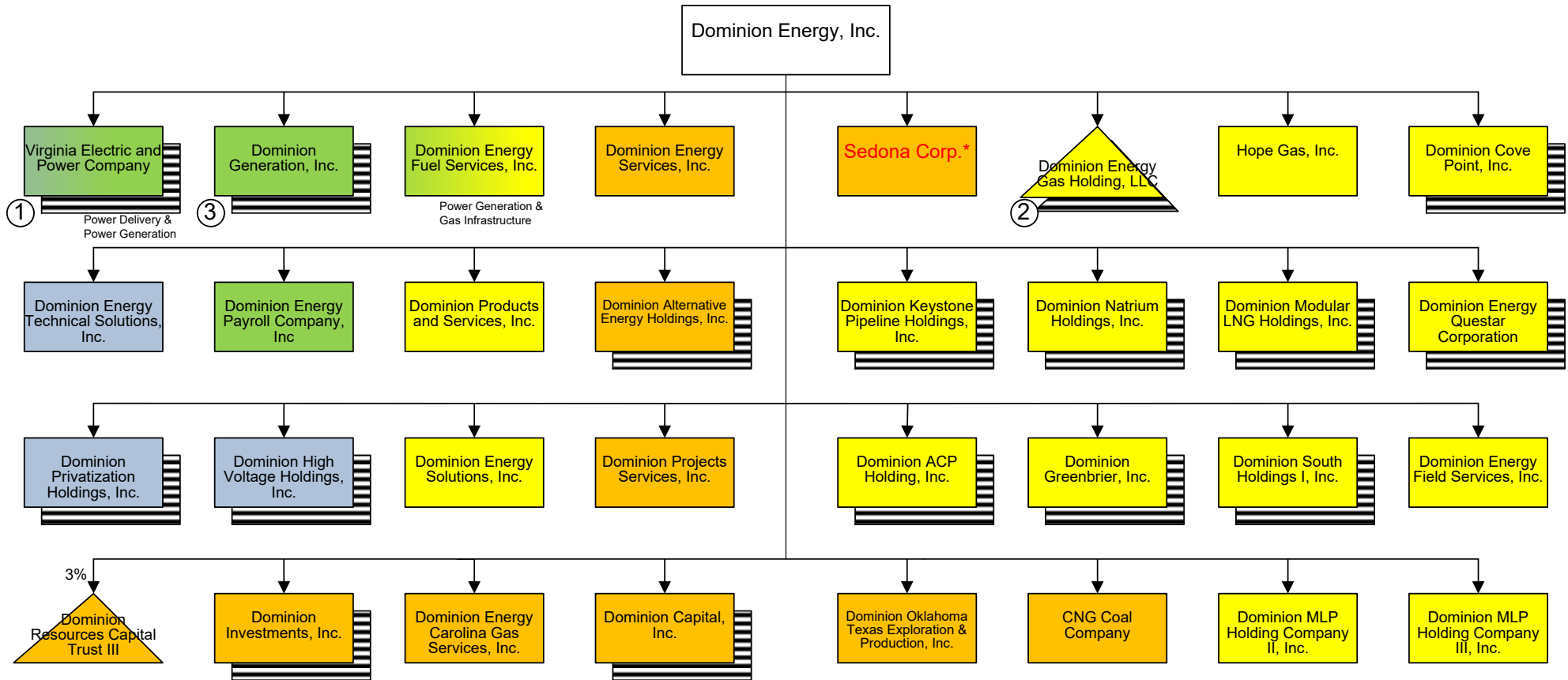
7 **Q. WHAT ARE YOU ASKING THE COMMISSION TO DO REGARDING**
8 **THE JOINT PETITION?**

9 A. Dominion Energy and SCE&G have a shared commitment to customer and
10 employee safety, reliable and cost-effective service, environmental stewardship,
11 and productive relationships with customers, regulators, other governmental
12 entities, and interested stakeholders, and we look forward to executing on these
13 shared commitments. Therefore, Dominion Energy is asking the Commission to
14 approve the business combination with SCANA with no material changes to its
15 terms if the Commission determines that formal approval of the combination is
16 appropriate under S.C. Code Ann. § 58-27-1300 or any other applicable law.
17 Alternatively, if the Commission determines that formal approval of the
18 combination is not required, Dominion Energy is asking the Commission to find
19 that: (i) the combination is in the public interest; or (ii) there is an absence of harm
20 to South Carolina ratepayers as a result of the combination.

21 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 A. Yes, it does.

Before SCANA Merger



1. See Attachment A for subsidiaries of Virginia Electric and Power Company.
2. See Attachment B for subsidiaries of Dominion Energy Gas Holdings.
3. See Attachment C for subsidiaries of Dominion Generation, Inc.

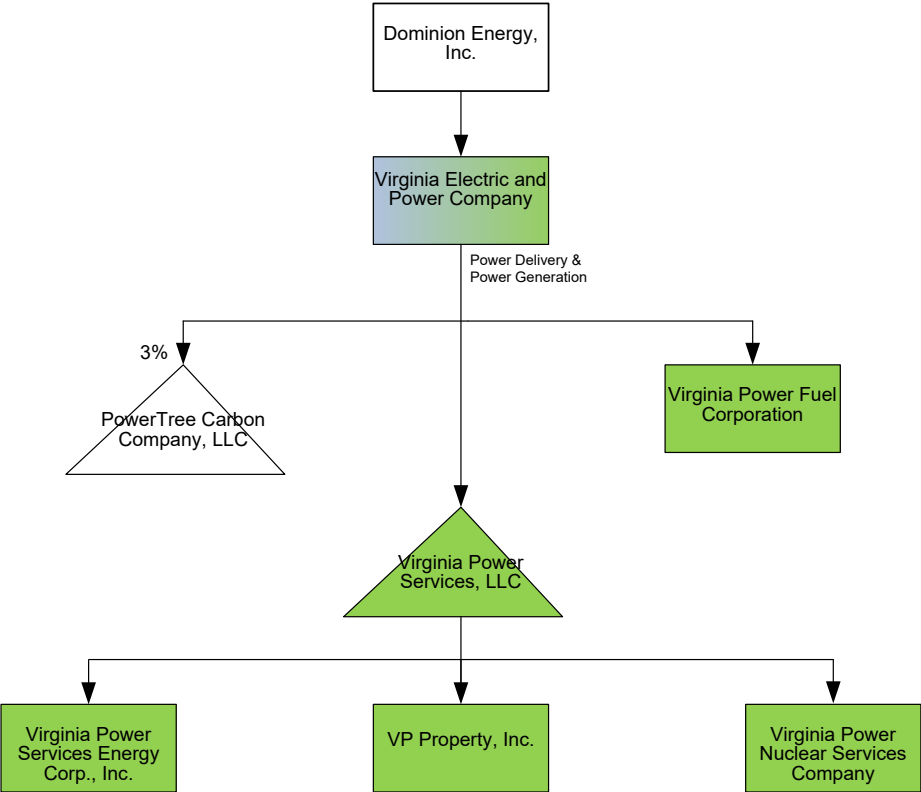
**Sedona Corp. will merge with SCANA Corporation, and SCANA Corporation will be the surviving entity.*

- Multiple lines under a box/triangle indicate that the entity shown has subsidiaries.
- Unless otherwise noted, ownership of 100%.

Business Unit

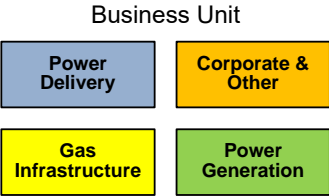
Power Delivery	Corporate & Other
Gas Infrastructure	Power Generation

Before SCANA Merger
[Attachment A]

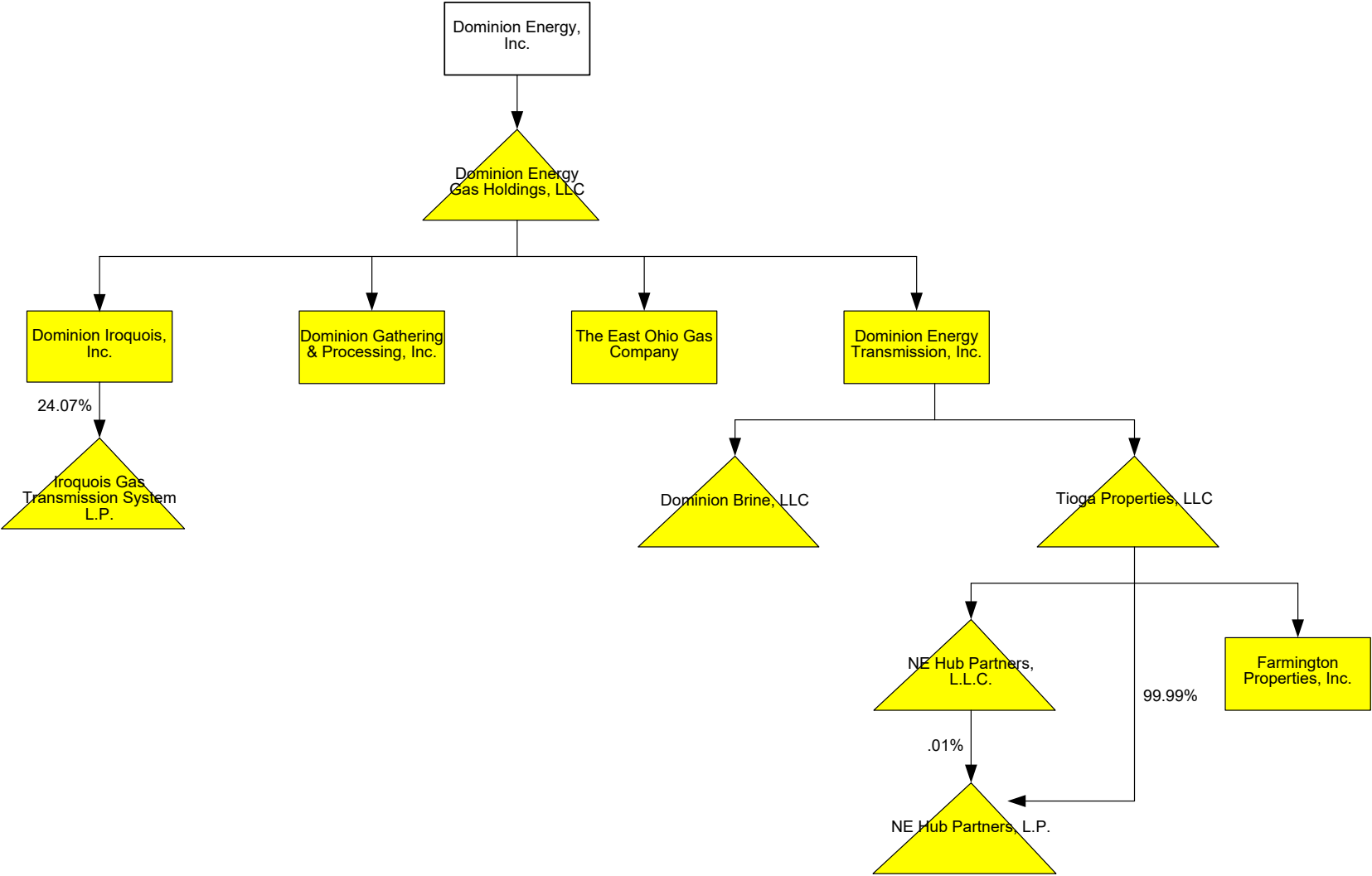


• Unless otherwise noted, ownership of 100%.

Updated as of 1/8/2018

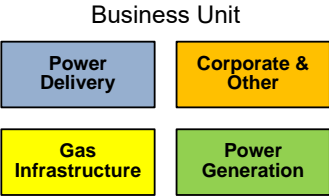


Before SCANA Merger
[Attachment B]

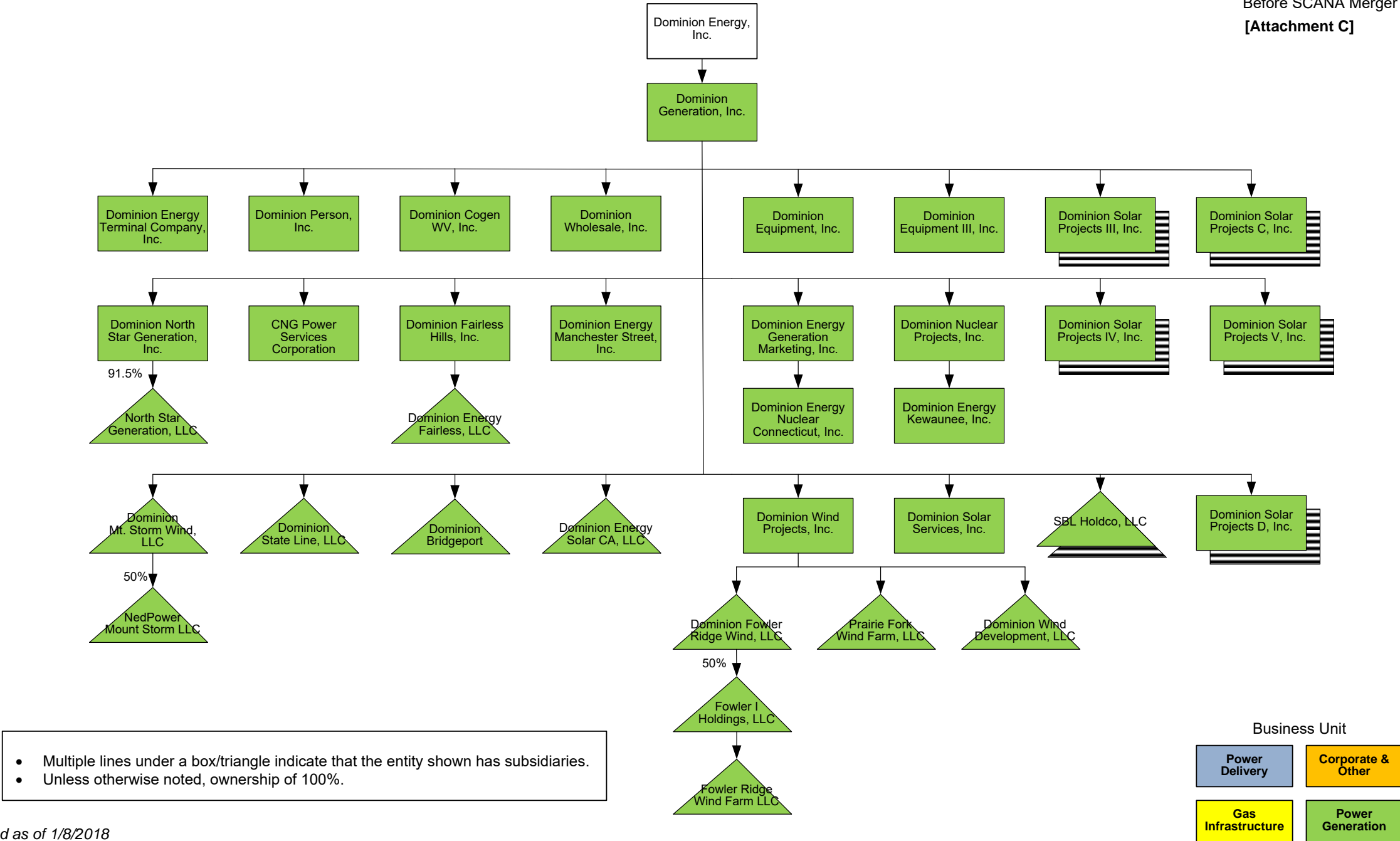


• Unless otherwise noted, ownership of 100%.

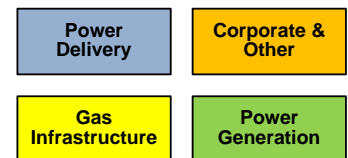
Updated as of 1/8/2018



Before SCANA Merger
[Attachment C]



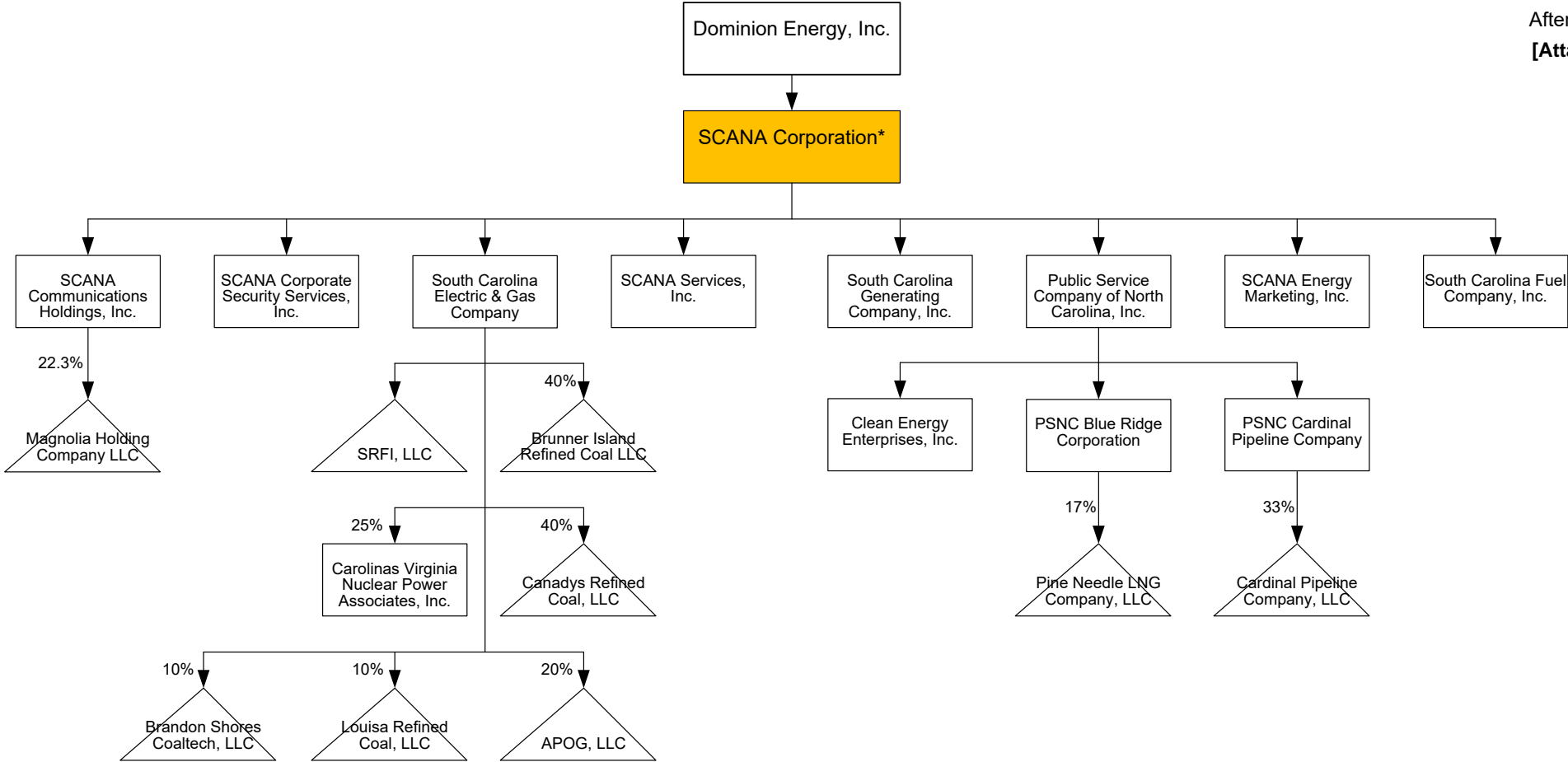
Business Unit



- *SCANA Corporation will be the surviving entity of its merger with the Dominion Energy merger subsidiary, Sedona Corp.*

- Updated as of 1/9/2018*

After SCANA Merger
[Attachment A]



**SCANA Corporation will be the surviving entity of its merger with the Dominion Energy merger subsidiary, Sedona Corp.*

***Business Unit designation of SCANA Corporation subsidiaries to be determined.*

- Unless otherwise noted, ownership of 100%.

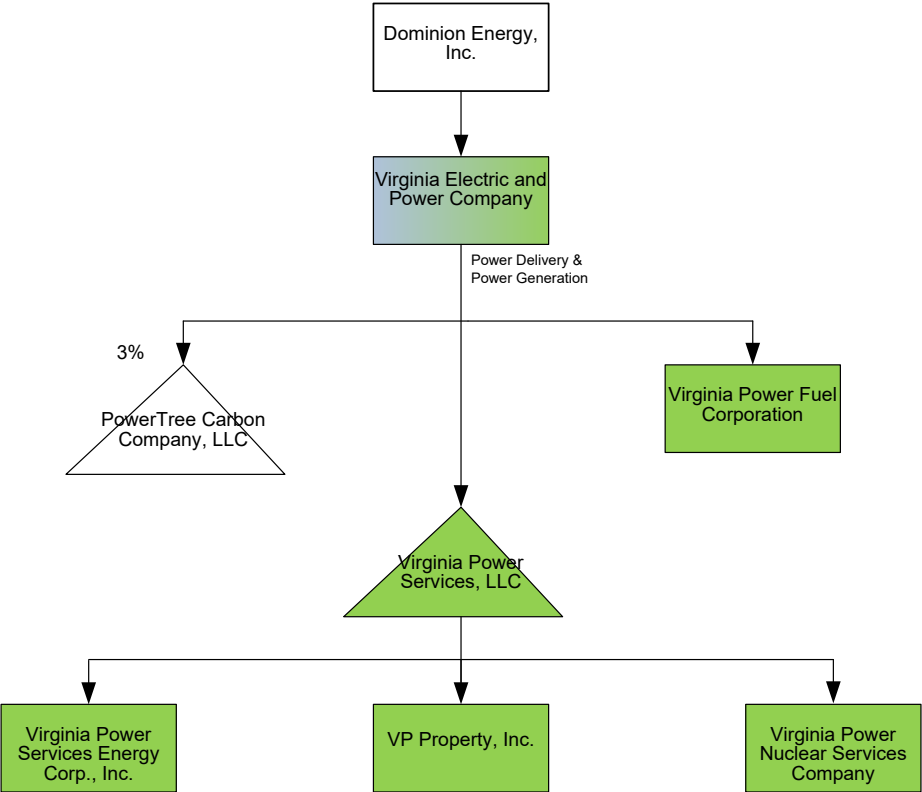
Note: In addition to the entities listed above, SCE&G has an interest in two entities that are no longer utilized and are in the process of dissolution. The entities are SC Coaltech No. 1, LP (SCE&G 40% interest) and Coaltech No. 1, LP (SCE&G 25% interest), and both were incorporated in Delaware and registered to do business in South Carolina. Both entities have been dissolved in Delaware and are in the process of cancelling the entity registrations in South Carolina.

Additionally, SCANA Corp. and SCE&G have interests in the following nonprofit organizations: SCE&G Foundation, Inc., formerly SCANA Summer Foundation, (SCANA Corp. 100% interest); SCANA Employee Good Neighbor Fund (SCANA Corp. 100% interest); Otarre Property Owners Association, Inc. (membership comprised of SCE&G and all property owners in Otarre development); and South Carolina Electric & Gas Project Share (SCE&G 100% interest).

Business Unit **

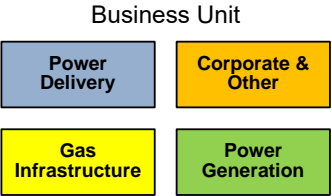
Power Delivery	Corporate & Other
Gas Infrastructure	Power Generation

After SCANA Merger
[Attachment B]

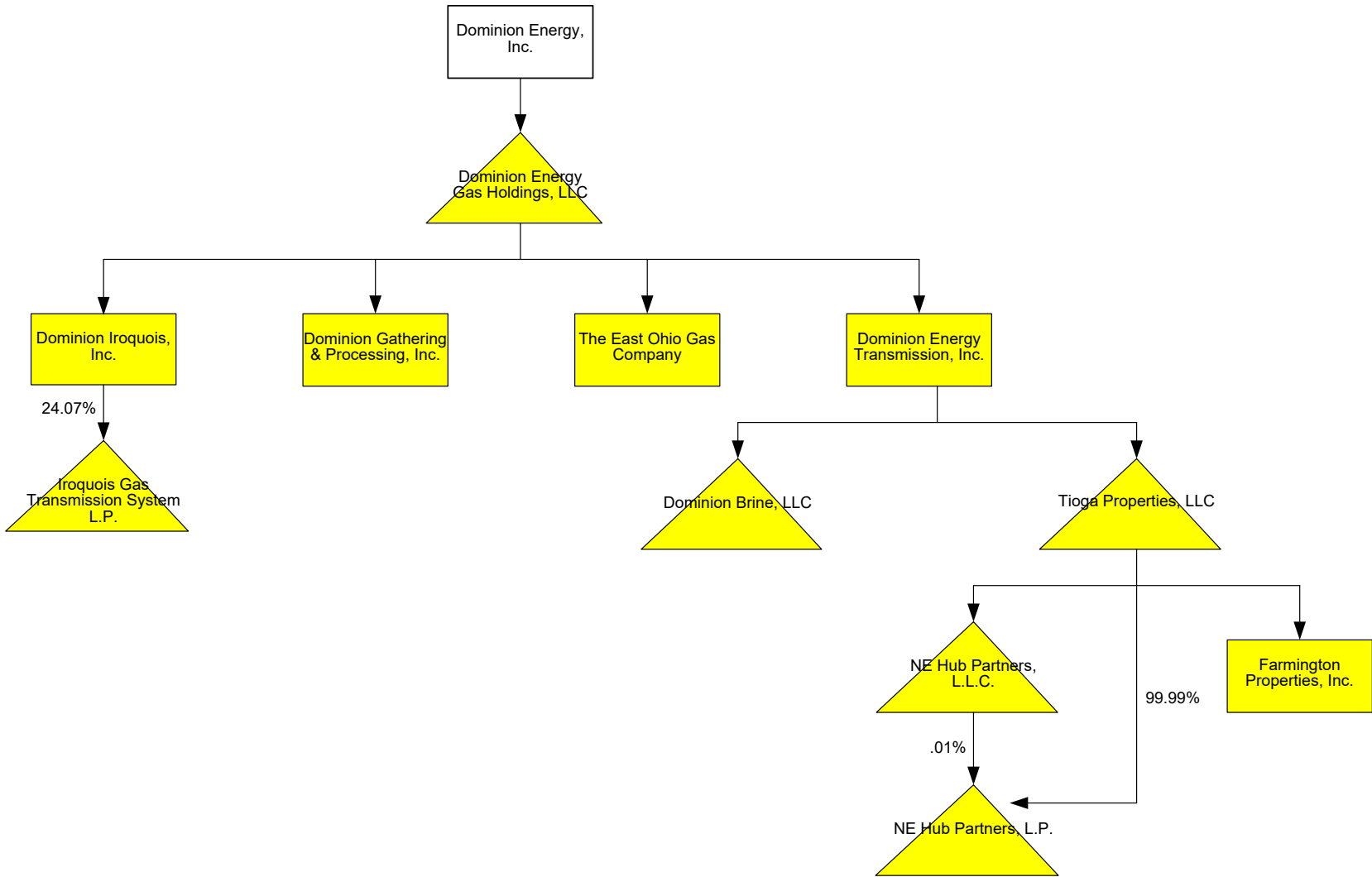


- Unless otherwise noted, ownership of 100%.

Updated as of 1/9/2018

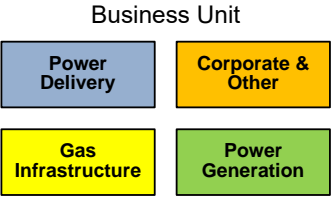


After SCANA Merger
[Attachment C]



• Unless otherwise noted, ownership of 100%.

Updated as of 1/9/2018



After SCANA Merger
[Attachment D]

